

TOP SECRET

25X

20 October 1969

MEMORANDUM FOR THE RECORD

Morning Meeting of 20 October 1969

ADD/I noted that there is no scheduled NSC meeting this week but that the Director will be attending two Committee meetings: the Vietnam Special Studies Committee and the Defense Policy Review Committee. With respect to the latter Committee meeting, ADD/I called attention to the item by William Beecher in the 19 October New York Times, "President To Cut Military Budget For Next 5 Years," and the mention of NSDMs contained therein.

25X

[REDACTED]

[REDACTED]

25X

Godfrey called attention to the reported shootdown of one [REDACTED] EXERCISE aircraft [REDACTED]. He commented that the EXERCISE controller now reports that all U. S. planes have been accounted for, thus suggesting that the earlier reports were erroneous.

25X

25X

25X

Carver mentioned receipt of two reports which, in his judgment, deserve "blue chit" dissemination, one a Vietnamese-originated draft of a cease-fire agreement and the other an account of the 15 October GVN cabinet meeting on Vietnamization. The Director concurred.

TOP SECRET

25X

TOP SECRET

25X

Houston called attention to the article by Daniel Lang, "A Reporter At Large (Vietnam)," in the 18 October issue of The New Yorker and noted the emotional parallels to the Green Beret case.

DD/P noted a cable in from Laos reporting on Chief of Station Devlin's meeting with New York Times correspondent Henry Kamm. DD/P went on to forecast that there will probably be additional meetings in the future.

DD/P pointed to a message in from Ambassador Unger suggesting that Peer de Silva might have an input to make in connection with the Symington Subcommittee hearings pertaining to Laos/SEA. DD/P noted that it has been some time since de Silva [] that he therefore wishes to avoid this.

25X

DD/P called attention to the fact that CINCPAC is scheduling a rather intensive review of various programs in Laos. He added that the review might last four or five working days and pointed to the possibility that Chief of Station, Vientiane might be asked to attend.

The Director thanked Carver and the ADD/I for the speed and quality of materials produced in support of his 18 October Camp David meeting.

The Director noted the scheduled session with the White House Fellows on 23 October and asked the Executive Director to initiate the briefing with his usual explanation of how the Agency is organized and conducts its business.

25X

[]
L. K. White

TOP SECRET

25X

PRESIDENT TO CUT MILITARY BUDGET FOR NEXT 5 YEARS

Seeks \$4-to-\$6-Billion Slash
for 1971 and Reduction
in Global Capabilities

'1½ WAR' PLAN BACKED

Preparations for One Minor
and Two Major Conflicts
Would Be Abandoned

By WILLIAM BEECHER

Special to The New York Times

WASHINGTON, Oct. 18—The Nixon Administration, after a nine-month, government-wide policy review, has decided to reduce sharply military spending over the next five years as part of a new, less ambitious global strategy.

For the defense budget currently in preparation, the Pentagon is urged to keep defense spending down to about \$71-billion to \$73-billion.

That is \$4-billion to \$6-billion below expected spending for the 1970 fiscal year, ending June 30, and substantially below the target figure the Pentagon had given the military services earlier this year as they drew up proposals for the next defense budget.

War Plans Trimmed

Projecting a more austere future defense posture, the Presidential decisions would:

¶Shift the emphasis of America's military capabilities to fight only one major war and one brush-fire war at a time, instead of following the two major and one minor war doctrine that has underlain defense planning for the last decade.

¶Recognize that the United States will run greater risks in meeting worldwide commitments with smaller forces, unless those commitments are reduced. After the Vietnam war is over, for instance, the Army is expected to drop back to substantially fewer divisions than it had before the war, or to reduce markedly the size of each division it keeps.

¶Retain sufficient strategic weapons so the nation will not only be able to retaliate and kill tens of millions of Russians if the Soviet Union initiates nuclear war, but also see that a gap does not develop in the actual amount of damage that each of the two powers is capable of inflicting on each other.

The decisions are outlined in two brief National Security Decision Memorandums. The principal one was distributed to key Government departments this week.

They are to serve as Presidential guidance on future budgets, starting with the one that goes to Congress in January.

Administration sources said the memorandums did not

Continued on Page 44, Column 1

President to Cut Military Budget for Next Five Years

Continued From Page 1, Col. 8

specify specific numbers of American troops to remain in Europe or Asia after Vietnam or the planes, ships or divisions the military might retain. Such decisions are to be made as part of the budget process itself, they said.

One senior official said the spending decision had been based more on fiscal than on strategic concerns. His opinion was shared by several planners in the Pentagon, the State Department and the White House who worked on the review.

"Underlying the thinking of many top people," this official said, "is the notion that we've become overextended. But we're not ready to really bite the bullet on reducing commitments, on deciding for instance that we can get by with fewer troops in Germany or Korea.

"We've been forced largely by the pressures of inflation plus a feeling that certain domestic programs ought to have a larger share of the budget, to make a defense choice largely based on cost. The fiscal tail is wagging the strategic dog."

Defense Secretary Melvin R. Laird, in an impromptu news conference Thursday, hinted at the new strategic decision when he called unrealistic the notion that the United States could fight major war simultaneously in Europe and Asia and a small one somewhere else.

"We're probably in a position today," he said, "where we can handle [the] major initial impact of a war in Europe and give substantial support [to conflicts] in Southeast Asia and Korea."

Knowledgeable officials say the strategy selected this week is oriented toward fighting a war in Europe, but would train and equip the active divisions in the United States, making up the so-called strategic reserve, to be able to fight a major war in either Europe or Asia, but not both at once.

In addition, a small, fast-reaction airborne force would be maintained to move quickly to a small brush-fire war in the Caribbean or elsewhere in the world, they said.

This was one of five principal strategies the Administration considered. They covered a spectrum of average annual defense ranging from \$70-billion to over \$100-billion. The other options were:

¶The so-called Europe-only strategy, with only a tiny, token American military force, retained in Asia and no major preparation of units in the United States to fight on the mainland of Asia.

¶The existing strategy of providing forces for "2½ wars." This would envision, after the Vietnam war is over, reducing the armed forces by 900,000 men to the 2.6 million man prewar level.

¶A "3½ war" strategy, having the capability of simultaneously fighting not only a big war in Europe but two in Asia—one in Korea and the other in Southeast Asia.

¶A bolstering of conventional war forces, particularly of troops and war supplies for the European theater, in order to reduce to a minimum the reliance on nuclear weapons in the event of war there.

Before the completion of the review, Pentagon officials said they were thinking of returning the Army to its pre-Vietnam

level of 16 divisions, from a peak strength of 19 divisions. But after that war is over, the new decision may require much deeper cuts.

A year-by-year budget projection is part of the two and a half page decision paper on general purpose forces. Two figures are given for each of the next five budget years, one based on the assumption that the United States will maintain a residual force of about 200,000 combat troops in Vietnam throughout the period, the other assuming a total withdrawal from Vietnam.

In no case does the spending figure, even though anticipating new inflationary pressures

and a requirement to proceed with equipment modernization deferred during the Vietnam war, exceed this year's expected total of \$77-billion in expenditures.

One official said the Army may have to shrink to as low as 12 to 14 divisions. Another said the requisite savings might instead be achieved by stripping each of the surviving divisions of three battalions.

"We could still fight a division with only eight battalions," one official said. "And if the emergency was serious enough, we could quickly add three battalions from the Reserve, rather than have to call whole Reserve divisions and get them ready for combat."

Pentagon officials recall that when Robert S. McNamara came in as Defense Secretary in January, 1961, he asked what the nation's firm commitments were and how much force had been provided to meet them. He decided that forces were really not adequate and moved to bolster them.

At that time the so-called "2½-war strategy" was formulated. Three of the Army's divisions were not combat ready, being used only for training recruits. They were made combat ready and other units were given the training. After the Berlin crisis that summer, two more combat divisions were added.

AY, OCTOBER 19, 1969

and Scale Down the Capabilities for Global War

From that time on, the Joint Chiefs of Staff have been instructed to submit budget proposals on the basis of being prepared to fight on two major fronts and one minor one at the same time.

100 Divisions Recalled

Military and civilian planners concede that budgetary constraints have always been a crucial factor in deciding how much defense was enough.

"After all, we had 100 divisions in Europe in World War II," one Pentagon planner said. "How could anyone say that 14 or 16 of 28 divisions would be enough in the event of another war?"

But, it was believed that nuclear weapons would make

difference, first in deterring an attack, and secondly as a last resort for use if war broke out and allied forces were in danger of being overrun.

But Vietnam changed the calculations. As more and more divisions were poured into that fight it became clear that should a war suddenly erupt in Europe, the United States would have to revert to a holding action in Vietnam and shift forces to Europe.

Thus, it was apparent the nation really did not possess the capability it thought it had.

Ranking Pentagon officials had previously been talking about reverting to the pre-Vietnam force levels, without really reordering priorities. Now the

below those levels, and the orientation is now more toward European defense.

But the Administration rejected the single option that would have done away with any but a token force for Asian commitments.

Deterrent Plan Backed

In the strategic weapons field, the Administration's decision represents even less of a change than in the conventional force area.

Then new team has endorsed the previous strategy of deterrence based on the ability to cause unacceptable damage to the attacker.

But while Mr. McNamara and some of his associates believed that the ability to retaliate against a surprise attack and

kill about 20 per cent of the Soviet population—regardless of Soviet capabilities—should be enough to deter war, the Nixon Administration disagrees.

As the Russians continue to build up their arsenal of strategic missiles, the Administration has decided, as a matter of policy, not to allow them to develop a "disproportionate" strength.

Thus, if Russia achieves the ability to kill 40 per cent of the American people in a second strike, the United States would increase its capability to do the same, officials explain.

And, if an arms control agreement can be worked out, they will seek to insure that this kind of imbalance is avoided.